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Main Office

818 West Seventh Street
12th Floor
Los Angeles, California
90017-3435

t (213) 236-1800

f (213) 236-1825

www.scag.ca.gov

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Roberts, Temecula

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Paul Eaton, Montclair • Lee Ann Garcia, Grand
Terrace • Tim Jasper, Town of Apple Valley • Larry
McCallon, Highland • Deborah Robertson, Rialto
• Alan Wapner, Ontario

Ventura County: Judy Mikels, Ventura County •
Glen Becerra, Simi Valley • Carl Morehouse, San
Buenaventura • Toni Young, Port Hueneme

Orange County Transportation Authority: Lou
Correa, County of Orange

Riverside County Transportation Commission:
Robin Lowe, Hemet

Ventura County Transportation Commission:
Keith Millhouse, Moorpark

MEETING OF THE

TRANSPORTATION & COMMUNICATIONS COMMITTEE

PLEASE NOTE THE CHANGE IN TIME

Thursday, February 2, 2006

9:45 a.m. – 10:45 a.m.

SCAG Offices

818 W. 7th Street, 12th Floor

San Bernardino Conference Room

Los Angeles, California 90017

213. 236.1800

VIDEO CONFERENCE LOCATION

SCAG, Riverside Office

3600 Lime Street, Suite 216

Riverside, CA 92501

If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Cathy Alvarado at 213.236.1896 or alvarado@scag.ca.gov

Agendas and Minutes for the Transportation & Communications Committee are also available at www.scag.ca.gov/committees/tcc.htm

SCAG, in accordance with the Americans with Disabilities Act (ADA), will accommodate persons who require a modification of accommodation in order to participate in this meeting. If you require such assistance, please contact SCAG at (213) 236-1868 at least 72 hours in advance of the meeting to enable SCAG to make reasonable arrangements. To request documents related to this document in an alternative format, please contact (213) 236-1868.

TRANSPORTATION & COMMUNICATIONS COMMITTEE

AGENDA

PAGE #

TIME

“Any item listed on the agenda (action or information) may be acted upon at the discretion of the Committee”.

- 1.0 CALL TO ORDER & PLEDGE
OF ALLEGIANCE Hon.
Harry Baldwin,
Chair

- 2.0 PUBLIC COMMENT PERIOD
Members of the public desiring to speak on an agenda item or items not on the agenda, but within the purview of this committee, must fill out a speaker's card prior to speaking and submit it to the Staff Assistant. A speaker's card must be turned in before the meeting is called to order. Comments will be limited to three minutes. The Chair may limit the total time for comments to twenty (20) minutes.

- 3.0 REVIEW and PRIORITIZE AGENDA ITEMS

- 4.0 CONSENT CALENDAR
 - 4.1 Approval Items
 - 4.1.1 Approve Minutes of January 5, 2006 1
Attachment
 - 4.2 Receive and File
 - 4.2.1 State and Federal Legislative Matrix
Attachment mailed separately



TRANSPORTATION & COMMUNICATIONS COMMITTEE

AGENDA

			PAGE #	TIME
5.0	<u>ACTION ITEMS</u>			
5.1	<u>Final 2004 RTP/RTIP Amendment</u> Attached separately	Naresh Amatya, SCAG Staff	8	5 minutes
	<p>The 30-day public review and comment period has ended. The Amendment modifies three projects in Orange County: CenterLine, FR-241/Foothill South, and Yorba Linda Metrolink Station.</p> <p>Note: EEC is considering approval of the associated conformity determination and EIR Addendum.</p> <p>Recommended Action: Recommend adoption of Resolution #06-471-3 and Resolution #06-471-4 to amend the 2004 RTP/RTIP.</p>			
6.0	<u>INFORMATION ITEMS</u>			
6.1	<u>I-710 Tunnel Option</u> Attachment	Bob Huddy, SCAG Staff	10	10 minutes
	<p>Staff will report on a recent request by the City of South Pasadena to amend the 2004 RTP to specify the I-710 Gap Closure Project as a tunnel option.</p>			
6.2	<u>Overview of Major State Proposals:</u> <u>SB-1024 and Governor's Bond Proposal</u> Attachment	Don Rhodes, SCAG Staff	14	10 minutes
	<p>Staff will present an overview of new major state proposals including SB-1024, the Governor's New Bond Proposal, and related bills.</p>			



TRANSPORTATION & COMMUNICATIONS COMMITTEE

AGENDA

		PAGE #	TIME
6.0	<u>INFORMATION ITEMS Cont/d</u>		
6.3	<u>Summary of the 2006-07 Governor's Budget Attachment</u> The Governor recently released his Fiscal Year 2006/2007 State Budget. Staff will provide a brief overview of this budget and how it will effect Southern California.	Don Rhodes, SCAG Staff	21 5 minutes
7.0	<u>MAGLEV TASK FORCE REPORT</u>	Hon. Robin Lowe, Chair	
8.0	<u>GOODS MOVEMENT TASK FORCE REPORT</u>	Hon. Art Brown, Chair	
9.0	<u>CHAIR REPORT</u>	Hon. Harry Baldwin, Chair	
10.0	<u>STAFF REPORT</u>	Rich Macias, SCAG Staff	
11.0	<u>FUTURE AGENDA ITEMS</u> Any Committee members or staff desiring to place items on a future agenda may make such request. Comments should be limited to three minutes.		
12.0	<u>ANNOUNCEMENTS</u>		
13.0	<u>ADJOURNMENT</u> The next meeting of the Transportation and Communications Committee will be held March 2, 2006 at the SCAG office.		



Transportation and Communications Committee

January 5, 2006

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THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE TRANSPORTATION AND COMMUNICATIONS COMMITTEE. AN AUDIOCASSETTE TAPE OF THE ACTUAL MEETING IS AVAILABLE FOR LISTENING IN SCAG'S OFFICE.

The Transportation and Communications Committee held its meeting at the SCAG office in downtown Los Angeles. The meeting was called to order by the Honorable Harry Baldwin, Chair, City of San Gabriel. There was a quorum.

Members Present

Aldinger, Jim	City of Manhattan Beach
Baldwin, Harry	City of San Gabriel
Beauman, John	City of Brea
Becerra, Glen	City of Simi Valley
Bone, Lou	City of Tustin
Brown, Art	City of Buena Park
Correa, Lou	Orange County
Dale, Lawrence	City of Barstow
Daniels, Gene	City of Paramount
DeLara, Juan	City of Coachella
Dixon, Richard	City of Lake Forrest
Flickinger, Bonnie	City of Moreno Valley
Gabelich, Rae	City of Long Beach
Garcia, Lee Ann	City of Grand Terrace
Gurule, Frank	City of Cudahy
Hernandez, Robert	City of Anaheim
Herrera, Carol	City of Diamond Bar
Joffee, Enid	San Gabriel Valley COG
Lowe, Robin	City of Hemet/RCTC
Lowenthal, Bonnie	City of Long Beach
Marshall, Patsy	City of Buena Park
Mikels, Judy	Ventura County
Moqet, Shenna	Riverside, WRCOG
Pettis, Greg	Cathedral City
Ridgeway, Tod	City of Newport Beach
Roberts, Ron	City of Temecula
Smith, Greg	City of Los Angeles
Stone, Jeff	Riverside County
Sykes, Tom	City of Walnut
Szerlip, Don	South Bay Cities COG
Tyler, Sidney	City of Pasadena
Uranga, Tonia Reyes	City of Long Beach
Wapner, Alan	City of Ontario

Transportation and Communications Committee

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Members Not Present

Adams, Steve
Buckley, Tom
Burke, Yvonne
De Young, Cathryn
Dunlap, Judy
Fasana, John
Gabelich, Rae
George, Gary
Herzog, Peter
Miller, Paul
Millhouse, Keith
O'Connor, Pam
Ovitt, Gary
Ramirez, Rick
Rutherford, Mark
Smyth, Cameron
Spence, David
Talbot, Paul

Riverside, WRCOG
City of Lake Elsinore
City of Los Angeles
City of Laguna Niguel
City of Inglewood
City of Duarte
City of Long Beach
City of Redlands
OCOG
City of Simi Valley
City of Moorpark
City of Santa Monica
San Bernardino County
City of Norwalk
City of Westlake Village
City of Santa Clarita
Arroyo Verdugo COG
City of Alhambra

New Members

Voting Members, Not Elected Official

Casey, Rose

Caltrans

Transportation and Communications Committee

January 5, 2006

Action Minutes

1.0 CALL TO ORDER & PLEDGE OF ALLIGANCE

The Honorable Harry Baldwin, Chair, called the meeting to order at 9:47 a.m.

2.0 PUBLIC COMMENT PERIOD

None at this time

3.0 REVIEW and PRIORITIZE

4.0 CONSENT CALENDAR

4.1 Approval Item

4.1.1 Approve Minutes of December 1, 2005

4.1.2 I-405 Major Investment Study Letter of Completion

4.1.3 SB 1024 (Perata) Public Works and Improvements: Bond Measure

Councilmember Carol Herrera, SGVCOG, stated that last months minutes reflected that Councilmember John Fasana, City of Duarte, a member of the TCC. She stated he was no longer appointed to the TCC and had been replaced by Enid Joffe, San Gabriel Valley COG.

Clarification was made the Item 4.1.3, SB 1024 (Perata) Public Works and Improvements Bond Measure was clearly not an ACTION Item; it was an INFORMATION Item to be RECEIVED and FILED.

MOTION was then made to RECEIVE and FILE the Consent Calendar items.
Motion was SECONDED and UNANIMOUSLY APPROVED.

5.0 ACTION ITEMS

5.1 Regional Comment on Federal Trade Agreement with Thailand

Nancy Pfeffer, SCAG Staff, gave a briefing on the revised Draft Interim Environmental Review (DIER) of the United States-Thailand Free Trade Agreement (FTA) document. She stated that some of the material within the document was moved up to the front to emphasize the share of high trade that comes through Los Angeles/Long Beach and to make a clear statement about the impacts in the SCAG region.

In Section I of the draft, two points were added; the regional population/population growth and clarification that the goods movement system extends all the way inland, and not just around the ports. In Section II, emphasis was made on the issues of the impacts; the public health and environment, quality of life, infrastructure and other

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related things experienced in the SCAG region. The change that was specifically made was the removing the Ozone Smog Trend chart because the 2004 data did not present SCAG's case as well as the prior years. SCAG has expressed the issue by stating that all the regulation that is being done is getting overwhelmed by the growth the region is now experiencing. Ms. Pfeffer presented two charts from the MATES Study which showed the diesel cancer risk, including and excluding diesel. This study made a few years ago by the SCAQMD reflected the extent and magnitude of risk that is posed by diesel particulate matter emissions. Another area strengthened in the revision is in the infrastructure impacts. Instead of talking about the money to fix overpasses, an argument was put in that the region can attribute about \$300 million per year of highway maintenance funds in Southern California pretty much entirely to the fact that trucks use our freeway system.

In Section III, a couple of additional points were included: 1) regarding the complex and fragmented nature of the Goods Movement System, the decision making about that System, and 2) the lack of funds that we do not have to pay for the infrastructure where Staff inserted the dollar estimates.

The last revision of the DIER strengthened the theme of the SCAG region as a global gateway that serves the rest of the nation. Staff emphasized that as a region we were providing a subsidy to the rest of the nation in terms of health and other impacts that this region is experiencing.

At the staff level OCTA, SANBAG, and RCTC have been involved and are satisfied with the newest revisions. Staff will confirm with MTA and Ventura County that they are also in agreement prior to submittal of the document to the Federal Register on January 6. Ms. Pfeffer then concluded her presentation.

The committee made the following suggestions to Ms. Pfeffer for the final revision of the document:

- For maximum impact the opening paragraphs should start off with what agencies the document is specifically from, the region's expectations, and the solution SCAG has found to fix it.
- The introduction needs to emphasize the percentage of goods that pass through the region to the benefit of the rest of the country vs. those that are self serving in the region. The document should reflect that our concern is not just for what is happening in the SCAG region, but emphasize that as a region we will be serving the rest of the nation
- Under Item 2C, "Commuter rail service often shares the tracks with freight trains making it more imperative to provide sufficient capacity". More emphasis should be put on the fact that the more of this impact they are putting on us, the less ability the region will have to incorporate any new public transportation.

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- In the area of infrastructure improvements, state that even with additional infrastructure improvements it will not adequately address the environmental issues and population growth impact.
- Somewhere in the document stress the fact that there has to be some nexus of federal funding as the region entertains these negotiations. Many trains have to go through the County of Riverside to get to their eastern most destinations and because of the grade separation issues that exist; they need to be fixed in order to move freight effectively from the ports. There is also a need to mention the ancillary counties that have to facilitate the movement of goods through the area.

Ms. Pfeffer agreed with the comments and stated she would include them in the final draft and e-mail the committee members a copy of the revision.

Hearing that, MOTION was made to APPROVE comment for submittal to the Office of the U.S. Trade Representative. MOTION was then SECONDED and UNANIMOUSLY APPROVED.

6.0 INFORMATION ITEMS

6.1 Report on the Subregional Audits

Councilmember Sid Tyler, Chair of the Audit Committee, reported on the status of the Caltrans subregional audits. Councilmember Tyler stated that SCAG has been on the receiving end of quite a number of audits from Caltrans, not all very favorable. Staff has made some extraordinary efforts to get in compliance with those audits. As far as Caltrans and the Feds are concerned SCAG is still a high-risk organization. Through discussions in the Audit Committee, along with staff input, it has been determined that the way to improve the organization's standing is to improve internal controls by ensuring that the entire organization, including the subregions, are following and complying with all federal regulations. To achieve this goal, it has been agreed, with RC's approval, to audit all 14 subregions through the internal audit programs and in combination with Caltrans' audits of the subregions. These audits occur over the balance of this year.

In these audits there are five areas of interest:

- Making sure expenditures are allowable;
- Overhead is consistent with generally accepted accounting principles;
- Contracts need to be consistent with the code of Federal regulations with respect to procurement;

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- Overhead accounting is consistent with the Office of Management and Budget Regulation A-87 which has to with indirect cost allocation, and finally
- Maintaining proper documentation.

Councilmember Tyler said these audits will be done by the end of the year, some by Caltrans and some by the internal auditors. Each audit will be done at the subregional offices; documentation required by auditors will be requested in advance of the visit. The results of the audit when final, and are released, will be shared with Caltrans and Caltrans will share them with SCAG.

In conclusion, Councilmember Tyler stated the Audit Committee would like to see each Subregion with some form of an audit function to look at the kinds of checks and balances to keep auditing problems from occurring. The Audit Committee will be putting together a handout of the essentials for reporting accounting for billing of each of the subregions. Finally, the Committee is trying to schedule (possibly January 18th or 19th) a mandatory meeting of subregional staff who are involved in accounting, reporting, and recordkeeping, to go over the fundamental procedures

6.2 2006 Federal Transportation Improvement Program Status Update

Ms. Rosemary Ayala, SCAG Staff, stated that the current 2006 Federal Transportation Improvement Program (FTIP) that is scheduled for SCAG's adoption in August 2006 must meet five transportation conformity tests:

- timely implementation of Transportation Control Measures (TCM's),
- fiscal constraint,
- interagency consultation and public involvement,
- regional emissions analysis,
- and consistency with the RTP.

The County Transportation Commissions and IVAG are developing their proposed programs. These are due to the California Transportation Commission on January 30th, with adoption by the California Transportation Commission April 27th.

The State Transportation Improvement Program (STIP) is a component of the SCAG RTIP which must be programmed consistent with the adopted STIP as one of the conformity tests for fiscal constraint. The County TIP's are due to SCAG January 9th and the STIP program is under development extending through April so there are concerns of how this program may impact the development of the SCAG RTIP. Staff met with the County Transportation Commission on December 9th and discussed our concerns on regional emissions analysis, timely implementations of transportation control measures, the modeling analysis, etc. The outcome was to handle it with two strategies; if there is a project in the State Transportation Improvement Program

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proposed by one of the commissions that should not be funded, the counties would then come forward and back fill that project with local or federal dollars.

Where that is not possible, the counties would provide us with the worst case modeling scenario so Staff can proceed with its analysis with the least amount of impact to the schedule to obtain the federal approval by October.

If something happens to the 2006-07 State Budget to impact the STIP funding levels the federal agencies have stated that while the region will have a conforming TIP, SCAG may not be able to amend that Federal TIP until we re-demonstrate financial constraint based on revised state budget dollars. Staff has received a letter from Caltrans stating that the likelihood of all these funding sources coming forward is uncertain at this time but the region is committed to work together in the development of the STIP and RTIP and will continue to do so even if there is a need to re-demonstrate financial constraint come October/November of this year.

7.0 MAGLEV TASK FORCE REPORT

None at this time

8.0 CHAIR REPORT

None at this time

9.0 STAFF REPORT

10.0 GOODS MOVEMENT TASK FORCE REPORT

None at this time

11.0 FUTURE AGENDA ITEMS

None at this time

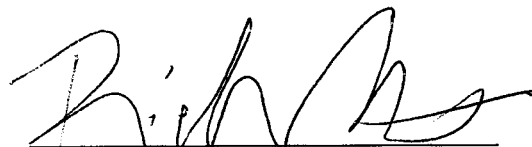
12.0 ANNOUNCEMENTS

None at this time

13.0 ADJOURNMENT

The Honorable Harry Baldwin, adjourned the meeting at 11:40 a.m.

The next committee meeting will be held on **Thursday, February 2, 2006, at the SCAG office.**



Rich Macias, Manager
Transportation Planning Division

REPORT

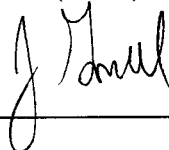
DATE: February 2, 2006

TO: Transportation and Communications Committee (TCC)

FROM: Naresh Amatya, Lead Regional Planner, 213-236-1885, amatya@scag.ca.gov
Philip Law, Acting Senior Regional Planner, 213-236-1841, law@scag.ca.gov

SUBJECT: Final Amendments to the 2004 Regional Transportation Plan (RTP) and 2004 Regional Transportation Improvement Program (RTIP)

EXECUTIVE DIRECTOR'S APPROVAL:



RECOMMENDED ACTION:

Recommend that the Regional Council adopt Resolution #06-471-3 to amend the 2004 Regional Transportation Plan (RTP) and Resolution #06-471-4 to amend the 2004 Regional Transportation Improvement Program (RTIP).

(Note: the EEC is considering approval of the associated conformity determination and EIR Addendum.)

SUMMARY:

The TCC released the Draft Amendments for public review and comment on December 1, 2005. The public comment period closed on January 6, 2006. A public hearing was held at SCAG on January 5, 2006. Additionally, an RTAC meeting was scheduled for January 18, 2006 to discuss the Amendments and fulfill the AB 1246 interagency consultation process.

SCAG received two written comments on the Draft Amendments and they are summarized below.

Name, Organization, Address	Comments	SCAG Response
Michael Brady California Department of Transportation DOTP-ORIP Air Quality/Conformity Coordinator mike_brady@dot.ca.gov	The "improve Orange Line Metrolink service" item should be described in a little more detail. What's the delivery timeframe and has BNSF/Metrolink been consulted? Does Metrolink and/or BNSF have the capacity to deliver increased service in that timeframe, and what was assumed in terms of increased service in the conformity analysis?	The Metrolink portion of the TCM substitution entails a 50% improvement in headways for both peak and off-peak service on the IEOC line between San Bernardino and San Juan Capistrano, and on the 91 line between Riverside and Union Station. The project description on page 2 of the Amendment has been updated to clarify this. All of the CenterLine substitution projects are assumed to be in place by 2010. OCTA is working closely with Metrolink to implement the TCM substitution (see Attachment E).

REPORT

Name, Organization, Address	Comments	SCAG Response
Dennis Wade Air Pollution Specialist California Air Resources Board Planning and Technical Support dwade@arb.ca.gov	The ratios to estimate the additional benefit of directing 20% of the vehicles to test only are: ROG 0.996, NOx 0.997. These are annual estimates for calendar year 2002 for the South Coast Air Basin.	SCAG has updated its calculation of NOx for I/M credit using the following: $1 - 0.997 = 0.003$, based upon the information provided by the Air Resources Board. The updated numbers for year 2002 are reflected on page 15 of the Amendment. The revisions do not change either the conclusions of the analysis or the conformity determination.

BACKGROUND:

The Orange County Transportation Authority (OCTA) has requested that SCAG amend the 2004 RTP and 2004 RTIP to do the following:

- Replace the planned CenterLine light rail and Yorba Linda Metrolink Station projects with a combination of bus rapid transit, commuter rail, local shuttle, and carpool operation improvement projects, and
- Revise the scope of the SR-241/Foothill South toll road project.

The CenterLine and Yorba Linda amendments are requested to fulfill the TCM substitution process. Additionally, the CenterLine action is requested so that OCTA can redirect funds currently programmed for the CenterLine towards the replacement projects before such funds are lost due to the state's timely use provisions. The Foothill-South amendment is requested to facilitate action on a Record of Decision by the Federal Highway Administration.

FISCAL IMPACT:

Funds for the RTP and RTIP development are included in the FY 05/06 Overall Work Program.

MEMO

DATE: February 2, 2006

TO: Transportation and Communications Committee

FROM: Bob Huddy, Senior Transportation Planner
213-236-1972, huddy@scag.ca.gov

RE: I-710 Tunnel Option Communications

Background:

SCAG has received communications (attached) from the City of South Pasadena dated November 29, 2005 and December 23, 2005, requesting possible amendments to the 2004 Regional Transportation Plan, affecting the 710 Gap Closure project from Valley Blvd. to California Street, specifically to consider inclusion of the tunnel options now the subject of a feasibility study. At this time, the Los Angeles County Metropolitan Transportation Authority has not yet completed the ongoing 710 tunnel feasibility study. The results of this study are expected in April 2006. SCAG staff are in the process of reviewing this request for an RTP amendment by the City of South Pasadena. Upon review of this amendment request, SCAG staff will consider what action is advisable, and will report back to the TCC on this issue, no later than March 2006.

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**SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS**



OFFICE OF THE CITY MANAGER
1414 MISSION STREET, SOUTH PASADENA, CA 91030
TEL: 626.403.7210 ■ FAX: 626.403.7211
WWW.CI.SOUTH-PASADENA.CA.US

OLD WATERING TROUGH



CITY OF SOUTH PASADENA

OFFICE OF THE MAYOR

1414 MISSION STREET, SOUTH PASADENA, CA 91030

TEL: 626.403.7230 • FAX: 626.403.7241

**Mark Pisano, Executive Director
Southern California Association of Governments
818 West Seventh Street, 12th Floor
Los Angeles, CA 90017-3435**

Dear Mark:

Thank you for setting time aside on January 12 for meeting with me and a few other representatives of South Pasadena. We are looking forward to this opportunity to advance the resolution of the 710 conflict that we initially addressed in our meeting last August 16, and our subsequent telephone conversation of September 6.

South Pasadena had hoped that by this year end we would have in place, as we anticipated in the conversations just mentioned, the protocol that would govern once the feasibility study is complete. As you know, that study is proceeding toward completion with an anticipated completion date in February 2006. As that time approaches, our South Pasadena citizenry have only become more apprehensive that the city is being asked to invest in the tunnel investigation without receiving our consistently-requested reassurance that this study will not lead to a revival of any surface freeway option.

Our City Council has therefore taken the initiative to formulate the protocol that we believe should and must govern from here on out to bring the 710 matter to conclusion, and put to rest our citizens' apprehensions about the state and regional agencies' commitment to ratify the reality that the surface road will never be built. Let me set forth that protocol now:

A. Upon completion of tunnel feasibility study, in the expectation the finding of feasibility will be favorable, the agencies (Caltrans, SCAG, MTA) will agree as follows:

1. To sponsor jointly the earliest possible amendment to RTP to replace the surface freeway with a tunnel route specified.

2. To sponsor jointly a legislative bill that would relinquish the surface route 710 from section 622 of the Streets and Highways Code, and remove the Martinez exception in section 100.4.

3. To join in or not oppose a legislative bill that would resolve the corridor housing issues along the lines of A.B. 1617, but not according to

the discretion of Caltrans to continue to hold the houses.

4. To incorporate the above (by Caltrans only) into a stipulation in the federal court that binds the state and continues in effect the existing injunction against any freeway-related activity. Attorneys' fees in the existing litigation would be awarded at that time (with the amount either negotiated, arbitrated, or resolved on motion to the Court).


B. Upon amendment of the RTP, enactment of the legislative amendment to section 622, or December 31, 2007, whichever first occurs, Caltrans and the CTC will declare excess all 710 properties except the surface and subsurface estates needed for a tunnel project; and dispose of all properties within one year thereafter. Surface estates include only those needed for direct surface access needs and shall not include estates for which a subsurface easement for a tunnel may be reserved allowing for the disposal of the surface estate prior to any tunnel construction.

C. As part of this agreement, and so long as it is complied with, South Pasadena and her allies would agree as follows:

1. To refrain from challenging the existing RTP, RTIP, or other planning document on any grounds (including lack of authority to hold the properties, and Clean Air Act lack of conformity).
2. To cooperate by participation in a steering or advisory committee in preparing the environmental documentation on a tunnel proposal.
3. To participate with SCAG in developing a coordinated housing and other development program that utilizes the excess state-owned properties to meet local and regional goals, while protecting historic buildings within the corridor.
4. Not to oppose approval or construction of a tunnel that eliminates environmental impacts of a tunnel to the satisfaction of South Pasadena and her allies.

We look forward to advancing this protocol together in time for execution concurrently with the tunnel feasibility determination, and to meeting with you next month toward that purpose.

Respectfully,



Mayor Odom Stamps

MEMO

DATE: February 2, 2006

TO: Regional Council and Transportation and Communications Committee

FROM: Government Affairs Staff

SUBJECT: Overview of Major State Infrastructure Proposals: S.B. 1024 and the Governor's Bond Proposal

SUMMARY:

Two major State Infrastructure Bond Proposals are expected to move quickly through the State legislature: the Safe Facilities, Improved Mobility, Disaster Preparedness and Clean Air Bond Act of 2005 (S.B. 1024) introduced by Senator Don Perata on February 22, 2005 and the Strategic Growth Plan introduced by the Governor just a few weeks ago. The purpose of these measures is to provide bond revenue for infrastructure improvements throughout the state of California. S.B. 1024 and the Governor's Strategic Growth Plan are expected to go into conference, where a hybrid proposal will be crafted. We expect a lot of activity on this bill over the next 60 days. The following information briefly explains the current provisions of each bill and the closing chart explains each proposal as it pertains to SCAG's priorities and efforts in Sacramento. Please note that these provisions may change as the bill is reviewed and debated in the 2006 Legislative session.

BACKGROUND:

S.B. 1024 (Perata)

The Safe Facilities, Improved Mobility, Disaster Preparedness and Clean Air Bond Act of 2005

The Safe Facilities, Improved Mobility, Disaster Preparedness and Clean Air Bond Act of 2005 (SB 1024), would place before voters a general obligation bond to invest \$10.275 billion in California's infrastructure. The funds would be allocated as follows:

\$1.2 billion for flood protection in California. California levees provide protection for 500,000 people, 2 million acres of prime farmland, and 200,000 residential and commercial structures, with a combined value of \$47 billion. Years of deferred maintenance have led experts to question the structural integrity of California's levees. SB 1024 provides \$1 billion for the inspection and strengthening of California's 1,600 miles of project levees. An additional \$200 million is provided to local flood control agencies to provide flood protection on local streams, rivers and creeks.

\$2.3 billion to repay transportation loans to jumpstart transportation projects. The bond repayment would keep faith with California voters' desire to devote transportation taxes to transportation purposes, and would relieve the General Fund of an obligation otherwise due in FY 2008-09. The bond revenue would be used to jumpstart 141 high-priority projects that have been stalled in recent years for lack of funding. These are important congestion-reducing projects located in every urban region of the state. It would also provide money for transit, local streets, and the State Transportation Improvement Program (STIP).

\$1.5 billion for regions to fund high priority projects. State Transportation Improvement Program (STIP) funds go to every county in the state (see chart B). A new STIP is adopted every two years and contains projects selected by the regions as their highest priority transportation projects. The last two STIP cycles

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have added no new projects to be constructed in California due to lack of available funds. The new 2006 STIP, again, is expected to be wholly deficient. The bond funds would allow regions and Caltrans, for the first time in four years, to add new, high-priority projects to the STIP.

\$2.5 billion to relieve traffic and improve security and air quality at California ports. In 2003, \$407 billion worth of U.S. trade went through California's sea, air and land ports. Forty percent of the nation's imported goods travel through the ports of Los Angeles and Long Beach alone. Port operations in California employ 1 in 7 Californians, but present difficult issues such as truck congestion, diminished air quality, and security concerns. SB 1024 provides \$2.5 billion to address these issues. Two billion would go to making highway, rail, or port infrastructure improvements in the state's most heavily congested trade areas. Four hundred million would go to the Carl Moyer Air Quality Fund to replace high polluting diesel engines on vehicles used in the operation of ports with cleaner technologies. One hundred million would go as grants to ports for security improvements.

\$1 billion for an incremental approach to High Speed Rail. The bond would provide \$200 million to five separate corridors in California to prepare for the possibility of developing a high speed rail system that would increase the efficient movement of goods through the state. The funds could be used for environmental work, right-of-way acquisition, and grade separations. In addition to high speed rail, these investments will improve passenger and freight rail flow in California. SB 1024 takes an incremental approach to high speed rail and proposes to repeal and replace the pending high speed rail bond.

\$1.25 billion in funds to provide incentives for more infill and transit-oriented development in California. Soaring housing costs have forced working families to move far away from their jobs to afford a home. This leads to increased commute times, more air pollution, increased traffic, and less time for families to be together. While families are able to find more affordable housing at the outskirts, research shows their savings on housing are offset by their increased transportation costs. As a result, these families realize little overall savings. SB 1024 provides \$275 million to promote projects that locate housing, retail and office centers within ¼ mile of transit stations. The bill would provide funds for infrastructure costs related to these types of projects and offer loans to developers siting affordable housing near transit stations. The remaining \$975 million for infill and housing incentives would be used as follows:

- \$425 million for infill incentive grants for capital outlay for infrastructure that includes water and sewer hook-ups, related transportation improvements, and the development or rehabilitation of urban parks.
- \$200 million for grants from the Secretary of Resources for acquisition of wildlife habitat, open space and easements on agricultural land, as mitigation for the policies adopted in a region's growth plan.
- \$200 million to rehabilitate multi-family housing in a designated infill area.
- \$100 million for grants for local agencies to improve upfront planning necessary for urban infill development.
- \$50 million to clean up vacant sites in urban areas so they can be made useful to accommodate future growth.

\$425 million for Affordable Housing Incentive Program. This program will improve neighborhood streets and roads for local governments that meet their share of the regional housing need.

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\$100 million for the Environmental Enhancement and Mitigation Program. The program funds "green" transportation projects like landscaping near freeways, bike trails, greenbelts, etc.

Governor's Strategic Growth Plan

A cornerstone of the Governor's 2006-07 Budget is the Strategic Growth Plan, which outlines the first 10 years of a 20 year investment in all sectors of the economy and public services. The plan seeks to implement \$222 billion in infrastructure investments. Of this amount, \$107 billion is targeted for state system transportation purposes over the next 10 years. \$68 billion of the total infrastructure investment will be financed with General Obligation (GO) bonds through a series of elections in two year increments from 2006 through 2014. The transportation portion of the \$68 billion GO bond revenues is \$12 billion.

The table below illustrates the General Obligation Bonds Election Year Proposals:

Program	2006	2008	2010	2012	2014	Totals
Transportation/Air Quality	\$6.0	\$6.0	-	-	-	\$12.0
Education	\$12.4	\$4.2	\$7.7	\$8.7	\$5.0	\$38.0
Flood Control/Water	\$3.0	-	\$6.0	-	-	\$9.0
Public Safety	\$2.6	-	\$4.2	-	-	\$6.8
Courts & other infrastructure	\$1.2	-	\$1.0			\$2.2
Total	\$25.2	\$10.2	\$18.9	\$8.7	\$5.0	\$68.0

(All Dollar Amounts Are In Billions)

The Transportation portion of the above GO Bond Revenues shall be allocated as follows:

2006 Transportation Bond (2006-07 through 2010-11) - \$6 Billion

- \$1.7 billion to increase highway capacity;
- \$1.3 billion for safety and preservation improvements to the state highway system;
- \$1 billion for port improvements, mitigation related to programs and projects that reduce diesel emissions, and mitigation of other community impacts;
- \$1 billion for goods movement infrastructure;
- \$400 million for intercity rail expansion;
- \$300 million for corridor mobility improvements;
- \$200 million for Intelligent Transportation Systems;
- \$100 million to expand park and ride and bicycle/pedestrian improvements.

2008 Transportation Bond (2011-12 through 2016-17) - \$6 Billion

- \$3.6 billion for highway projects providing congestion relief and meet or exceed performance measures for improved corridor performance;
- \$2 billion for goods movement infrastructure;
- \$200 million for highway safety and preservation projects;

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- \$100 million for additional intercity rail expansion
- \$100 million to expand park and ride and bicycle/pedestrian improvements.

S.B. 1024 (Perata) and Governor's Strategic Growth Plan Comparison Chart

SCAG Adopted Priorities*	Benefit to the Region	S.B.1024	Governor's Bond	Actions
Protect Proposition 42 Funds	Proposition 42 funds are designated for transportation purposes. By protecting these funds, we can protect dollars that should be used for investment into transportation infrastructure	\$2.3 billion in Prop 42 repayment provisions, but not permanent protection	Creates a constitutional amendment to permanently protect Prop 42 and accelerates repayment	Amend S.B.1024 to ensure permanent protection of Proposition 42
Allocate the State's transportation funds to ensure an equitable distribution throughout the state	The SCAG region is home to approximately 50% of the State's population and we must supply the transportation demand for this population. By ensuring an equitable distribution of funds throughout the state, we are in a better position to provide for the transportation needs of our cities and counties	No project or formula allocations other than the State High Speed Rail for \$1 billion, of which approximately \$600 million is for the SCAG region.	Of the projects listed, 39% of the total flows to the SCAG Region	Amend both proposals to ensure that the distribution of funds statewide be based on population and, for goods movement related funds, on freight movement
Provide for leveraging in order to obtain private sector and other funding	To reduce reliance on diminishing State and Federal transportation funds, we must be able to use these funds to generate additional financing from other sources, which can exponentially increase the benefits realized from public transportation investment	Promotes Public-Private partnerships with relation to "transit villages," where housing, retail and office centers would be located within 1/4 mile of transit stations	A total of \$48 billion in new funding is proposed from leveraging existing funds and new bond funds to attract increased federal, private, and local funding.	Amend S.B.1024 to specify that bond funds should be leveraged to generate additional financing, and support emphasis on leveraging in the Governor's proposal
Appropriately fund goods movement and ports in SCAG Region	Goods movement has a profound effect on all sectors of the economy and the effects can be felt most readily here in the SCAG region. Due to the significant needs of the growing goods movement industry, we must ensure that planned goods movement projects are	\$2.1 billion for port/goods movement includes funding for freight movement in and out of seaports, landports and airports	\$3 billion to expand Trade Corridors and improve infrastructure	Amend proposals to add goods movement allocations based on freight movement and place a greater emphasis on the use of leveraging any bonded funding

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	fully funded to reduce community impacts and congestion			
Facilitate Public/Private Partnerships to implement "business plan" approaches in developing infrastructure	By involving private sector support in transportation and infrastructure projects, we can further leverage public sector funds and, in some cases, produce additional revenues for reinvestment	Promotes Public-Private partnerships with relation to "transit villages," where housing, retail and office centers would be located within 1/4 mile of transit stations	Gives authority and encourages the use of Public-Private partnerships for revenue-backed projects.	Amend both proposals to add an emphasis on the use of Public-Private Partnerships for all revenue-backed projects, including projects that integrate transit, housing and business developments as indicated in SB1024
Provide financial incentives for cities and counties to encourage infill development and reward those who meet or exceed their fair share of housing	The "baby-boom" cohort, increasing immigrant population, increasing household size and lower per capita income all affect our housing demand. These changes necessitate variation in housing types offered as well as amenities to serve the changing population. We must create housing supply in order to meet the increasing demand.	\$675 million for local street improvements for local governments that meet their housing needs, affordable multifamily housing and cleanup of vacant sites designated for infill	Not included	Amend both proposals to give priority funding to a city or county that meets or exceeds its fair share of housing under RHNA
Provide sufficient funding for regional growth planning	Regional growth planning is the critical component to provide coordinated plans and programs for long term development. These planning efforts can result in reduced reliance on public sector funds and an enhanced community development landscape	\$725 million for local agency growth planning, capital outlay to governments whose general plans match the regional growth plan (RGP) and environmental mitigation and enhancements consistent with the RGP	Not included	Amend both proposals to add an allocation formula for regional growth planning funds based on the MPO planning allocation formula. Local planning funds be distributed to regions based on the number of cities and counties within the region with priority given to those cities and counties implementing the RGP
Support IntraRegional high-speed rail that generates revenue	An IntraRegional High Speed Rail system would facilitate the development of a regional airport system and connect major activity and multi-modal transportation centers in Southern California. As our airports reach capacity constraints and congestion along major corridors increases, high speed ground	\$1 billion for project specific environmental studies, planning and engineering in five high speed rail corridors	Not included	Amend both proposals to allow a competitive high-speed rail grant program for major high speed ground transportation projects along major corridors in the state or in a region that has high congestion and point-to-point trips. Major high speed ground transportation projects should interconnect

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	transportation and airport linkages become even more critical.			regional airport systems and provide revenue producing service
Provide priority to Transit Oriented Development (TOD) that includes housing and generates revenue to support transit projects	Transit Oriented Development providing integration of commercial, residential, and recreational land-uses with the transportation system would help increase land use intensities in areas with higher transit services and would maximize the Region's use of the transit system.	\$275 million for "transit village" projects within a 1/4 mile radius, including housing, retail and office centers	Not included	Amend both proposals to provide priority to TOD projects that include housing, further implement the preferred growth strategy for the region, and generate revenue
Provide funding and incentives for environmental mitigation	Environmental mitigation must move simultaneously with transportation improvements in order to ensure the health of our communities	\$100 million for "Green" transportation projects, including landscaping, bike trails, greenbelts, etc...and \$200 million for diesel retrofit on vehicles used in port operation	\$1 billion for environmental mitigation at the ports	Support the Governor's proposal and encourage additional funding for environmental mitigation, including diesel retrofiting.
Promote CEQA streamlining, in accordance with SCAG's CEQA reform policies, to expedite project delivery	The CEQA reform policies established by the Regional Council implement the preferred Regional Growth Strategy, promote housing production and support planning practices	May attach S.B.832, which includes provisions to voluntarily streamline CEQA studies for certain infill development and smart growth projects	Not included	Amend both proposals to include SCAG's CEQA reform policies (as adopted by the Regional Council), including voluntary implementation, ease of housing developments in appropriate and strategic areas, the promotion of regional planning, results that are preferable to current conditions or "no-plan", regional level impact analysis, results in the functional equivalent of a full EIR and limitation to areas identified in the RGP

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Give priority to projects that meet RTP performance measures	Performance measures quantify goals and provide a way to evaluate progress over time. Performance measures are also used to evaluate projects and ensure that funding works to meet established goals. By maintaining consistent performance measures for transportation funding, we can ensure the goals set out in our regional plans are intact.	No specific performance measures, but supports projects that implement a Regional Growth Plan, use Transit Oriented Development principles and execute other provisions of the bill	Performance measures specified, including cost-effectiveness, substitutability, reduced congestion, improved mobility, land use, safety and geographical balance considerations	Ensure that both proposals establish performance measures for projects that are consistent with the RTP, in order to provide consistent criteria for selection and prioritizing
Support Design-Build and Design-Sequencing procurement procedures to expedite project delivery	The amount of time needed to deliver a project has direct effects on its overall cost. By creating vehicles to make project delivery more efficient, we can realize cost savings and release obligated public funds for use on other projects.	Not included	Promotes Design-Build and Design-Sequencing and gives authority to Public-Private partnerships	Support the Governor's emphasis on Design-Build and Design-Sequencing and amend SB1024 to allow for expedited project delivery
Support initiatives that call for local governments and regions to plan for a 20 year site inventory based on natural increases in population and job growth and that allow neighboring jurisdictions, by agreement, to share responsibilities for increasing the housing supply (RHNA)**	By allowing collaboration and cooperation among local and regional government, a more responsive and comprehensive 20 year inventory can be produced. Further, through responsibility sharing, housing supply can be more effectively increased in areas that can support such supply.	Not included	Not included	Amend proposals to add an alternative approach to RHNA that supports housing planning on a 20 year basis, promotes housing near employment centers and implements the regional growth plan (RGP)
*Adopted priorities are contained in the Regional Transportation Plan and/or the Legislative Program				
**RHNA Settlement Agreement (September 24, 2004)				

Doc # 117823 S.A.

MEMO

DATE: January 12, 2006

TO: The Transportation and Communications Committee

FROM: Jeff Dunn, Government Affairs Analyst
Phone: (213)-236-1880 E-Mail: dunn@scag.ca.gov

SUBJECT: State Budget Update

SUMMARY:

On January 10, 2006, Governor Schwarzenegger unveiled his proposed \$125.6 billion State Budget for 2006-07. The Budget calls for increased funding for Education, Transportation, and Healthcare programs for low-income children, while reducing expenditures generally for welfare and welfare-to-work programs, and supplemental security income payments to disabled persons. There are no tax increases.

The Budget proposes to spend \$97.9 billion against \$91.5 billion in anticipated revenues for the fiscal year. The resulting \$6.4 billion deficit is expected to be paid for by carrying over a surplus from the current budget year due to an increase in revenues from an improved economy. Thus, the Budget does not address inherent structural deficiencies and projects a \$6.6 billion shortfall in 2007-08.

Because there are carry-over funds from the current budget year and because state revenues are up from many sectors over last year, the Governor proposes several spending enhancements for transit and transportation, as detailed below.

BACKGROUND:

Full Funding for Proposition 42

The '06-07 Budget proposes full funding of Proposition 42 which will transfer a total of \$1.4 billion from the General Fund (GF) to transportation programs, including transit and highway projects and services. The transfer will be distributed as follows:

- \$678 million to the Traffic Congestion Relief Program (TCRP) projects;
- \$582 million to the State Transportation Improvement Program (STIP), and;
- \$146 million to the Public Transportation Account.

Total: \$1.406 billion

Additionally, the Budget proposes an early repayment of a portion of the 2004-05 Proposition 42 loan (currently due to be repaid in '07-'08) in the amount of \$920 million. These dollars will be allocated as follows:

- \$410 million to the Traffic Congestion Relief Fund (TCRF) for TCRP projects;
- \$255 million to the STIP;

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Prop. 42 (Cont.)

- \$255 million to cities and counties for local streets and roads.

Total: \$920 million

This early repayment combined with the full funding of the base transfer will provide an additional \$2.3 billion for transportation in 2006-07.

Total: \$2.3 billion

Finally, the Governor proposes a Constitutional Amendment to “firewall” Proposition 42 by eliminating the current ability of the Governor and Legislature to suspend Prop. 42 and, thus, protect these funds for their intended uses in transportation.

Indian Gaming Bonds

The 2005 Budget Act assumed repayment of a portion of outstanding transportation loans with \$1 billion in bond proceeds derived from certain Indian Gaming Revenues to specified transportation programs. Subsequent litigation has delayed the issuance of the bonds; nevertheless, the Budget assumes the bond sale will occur in the spring of 2006. As the legal issues are evaluated, the sale date may be adjusted but, when it occurs, the revenues will be allocated as follows:

- \$465 million to the State Highway Account;
- \$290 million to the TCRP;
- \$122 million to the Public Transportation Account;
- \$122 million to cities and counties on a formula basis for local streets and roads purposes.

Total: \$1 Billion

Federal Transportation Reauthorization

The Safe, Accountable, Flexible, and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) was enacted August 10, 2005, and authorizes Federal surface transportation programs for highways, highway safety, and transit for the five-year period of 2005-2009. The Budget includes approximately \$2 billion in 2005-07 due to the increased apportionments included in SAFETEA-LU.

Total: \$2 billion

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Traditional State Transportation Revenues

The Budget forecasts gas and diesel excise tax revenues to increase by approximately 2.4% in 2006-07 from \$3.4 billion to \$3.5 billion. Funds are distributed to the State Highway Account and the cities and counties for transportation purposes.

Total: \$3.5 billion

Public Transportation Account (PTA)

The Budget proposes to suspend spillover revenues to the Public Transportation Account. Specifically, it retains the first \$200 million of spillover in the General Fund, and directs the next \$125 million to go to the Bay Bridge seismic retrofit project, for a total suspension of \$325 million.

Caltrans/Capital Outlay

The Budget proposes \$11.5 billion for the Department of Transportation, of which 9.2 billion is from non-General Fund sources. Of these amounts, \$4.8 billion is proposed for transportation capital outlay programs comprised of \$2.3 billion from the General Fund, \$1.2 billion from the State Highway Account, \$1.1 billion in federal funds, and \$90 million from other special funds.

The budget proposes capital outlays in the follow areas:

- 2006 State Transportation Improvement Program (STIP) Fund Estimate covers a 5 year period from 2006-07 through 2010-11, and assumes a total programming capacity of approximately \$5.6 billion, of which \$3.8 billion is carried over from the 2004 STIP. The 2006 STIP adds \$1.8 billion in new programming capacity;
- State Highway Operation and Protection Program (SHOPP) is comprised of projects that reduce collisions and hazards to motorists, preserve bridges and roadways, enhance and protect roadsides, and improve operation of the state highway system. The 2006 Fund Estimate assumes \$12.9 billion in SHOPP funding from 2006-07 through 2010-11. For 2006-07, \$1.7 billion is included in the Budget.

Local Assistance Programs

The Budget proposes \$3.3 billion in local assistance funding for transportation in 2006-07, for use for local capital improvement projects on the state highway system, mass transit capital improvement projects, and local bridge improvement projects. This appropriation includes \$978 million for local mass transportation projects. The total is comprised of \$191 million from the State Highway Account, \$1.8 billion in federal funds, and \$1.3 billion from other special funds. The assistance to transit agencies in the State Transportation Assistance Program for operations in 2006-07 is \$ 235 million.

Strategic Growth Plan

Concurrent with the 2006-07 proposed Budget, the Governor has announced The Strategic Growth Plan (SGP), which outlines the first 10 years of a 20 year investment in all sectors of the economy and public services. The plan seeks to implement \$222 billion in infrastructure investments, of which \$107 billion is targeted for state system transportation purposes over the next 10 years. \$68 billion of the total infrastructure investment will be financed with General Obligation (GO) bonds through a series of elections in two year increments from 2006 through 2014. The transportation portion of the \$68 billion GO revenues is \$12 billion, which will be put before the voters in two \$6 billion increments on the June 2006 and November 2008 ballots.

The first of these bond proposals, if approved, would provide funding from 2006-07 through 2010-11, would appropriate funds as follows:

- \$1.7 billion to increase highway capacity;
- \$1.3 billion for safety and preservation improvements to the state highway system;
- \$1 billion for port improvements, mitigation related to programs and projects that reduce diesel emissions, and mitigation of other community impacts;
- \$1 billion for goods movement infrastructure;
- \$400 million for intercity rail expansion;
- \$300 million for corridor mobility improvements;
- \$200 million for Intelligent Transportation Systems;
- \$100 million to expand park and ride and bicycle/pedestrian improvements.

The second bond proposal, if approved, would provide funding from 2011-12 through 2016-17, and would appropriate funds as follows:

- \$3.6 billion for highway projects providing congestion relief and meet or exceed performance measures for improved corridor performance;
- \$2 billion for goods movement infrastructure;
- \$200 million for highway safety and preservation projects;
- \$100 million for additional intercity rail expansion
- \$100 million to expand park and ride and bicycle/pedestrian improvements.

The SGP contains a proposal to seek a Constitutional Amendment to prohibit the Legislature and the Governor from incurring General Fund-supported debt if the debt service on that debt plus the debt service on outstanding General Fund-supported debt, including the GO Bond debt incurred pursuant to the SGP, is expected to exceed 6% of the General Fund revenues in any given year for five years into the future. Additionally, the Governor's proposal contains yearly estimates of the SGP Financing Debt Ratio from the current year through the year 2025-26 which range from 3.81% to 5.91% of General Fund Revenue in any given year.

Finally, passage of the GO bonds would be tied to enactment of design sequencing, design build and public private partnership legislation.

Summary

This budget is generally good for Transportation because it provides for increased funding overall and specifically earmarks existing surpluses to fully fund Proposition 42 and to provide for the early repayment of the Prop. 42 loan. However, there remain important questions for the future pertaining to assumptions made by the Governor's Budget regarding the size and scope and likelihood of voter approval of successive bond measures to finance further infrastructure development; the time frame for moving forward with an issuance of Indian Gaming Bonds; and the likelihood of getting a Constitutional Amendment on the ballot in the near future to protect Prop. 42 funds.

Likewise, according to the Legislative Analyst's Office, there are key issues that the Legislature will face as it reviews the Governor's budget proposal and proceeds to craft its own budget plan:

- The Legislature must carefully weigh the benefits of the proposed expansion programs against the potential continued out-year deficits and seek opportunities to address the underlying structural imbalance;
- The Legislature must determine if the proposed program expansions reflect its own budgetary priorities, and whether they represent an effective and efficient use of taxpayer resources;
- Although the proposed budget uses some of the recent revenue improvement to reduce budgetary debt accumulated in past years, there still remains considerable debt, such as in the area of unfunded mandates. This will pose a burden for future budgets if not addressed now.
- Although the budget is based upon reasonable assumptions about the economy and revenues, there are risks of economic downturn such as rises in interest rates, contraction of the housing market, a faltering of the stock market, etc., which would cause a significant drop in economic growth and revenue performance. The Legislature may wish to use extra caution in undertaking new, ongoing program commitments given such uncertainties.

All of these issues will come in to play in 2006 as the budget makes its way through the process and will be closely monitored by SCAG for input and action.